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# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0 0 0 0 0 3 5 5 2 3

## COMPANY NAME

T H E A N D R E S S O R I A N O F O U N D A T I O N ,  
I N C . ( A N o n s t o c k ,  
N o t - F o r - P r o f i t O r g a n i z a t i o n )

## PRINCIPAL OFFICE ( No. / Street / Barangay / City / Town / Province )

A . S o R i a n o A v i a t i o n H a n g a r ,  
A n d r e w s A v e n u e , P a s a y C i t y

Form Type

A A F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

## COMPANY INFORMATION

Company's Email Address

admin@asorianofoundation.org

Company's Telephone Number

8851-5507

Mobile Number

N/A

No. of Stockholders

N/A

Annual Meeting (Month / Day)

2<sup>nd</sup> Tuesday of October

Fiscal Year (Month / Day)

06/30

## CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Lemia L. Simbulan

Email Address

llesimbulan\_oed@asorianofoundation.org

Telephone Number/s

8851-5507

Mobile Number

N/A

## CONTACT PERSON'S ADDRESS

624-E Gamban St., Pasay City

**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2:** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
The Andres Soriano Foundation, Inc.  
A. Soriano Hangar  
Andrews Avenue, Pasay City

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of The Andres Soriano Foundation, Inc. (the Foundation), a nonstock, not-for-profit organization, which comprise the statements of financial position as at June 30, 2020 and 2019, and the statements of income, statements of changes in general fund balance, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small Entities (the Framework).

#### Basis for Opinion

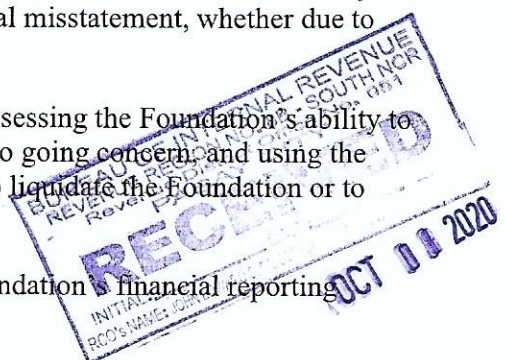
We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Framework, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.





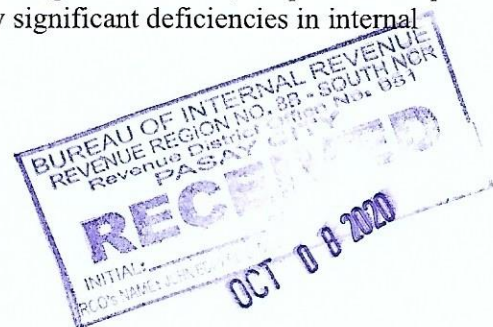
## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 17 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Foundation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

*Dyole S. Garcia*  
Dyole S. Garcia  
Partner

CPA Certificate No. 0097907

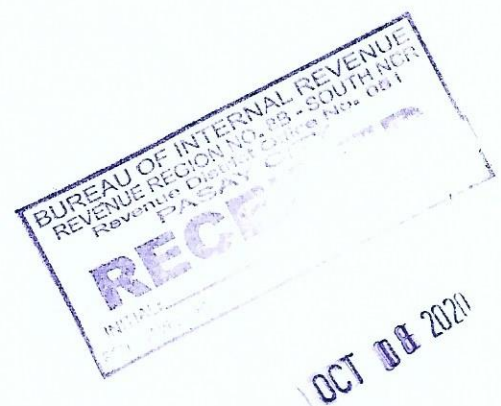
SEC Accreditation No. 1768-A (Group A),  
September 3, 2019, valid until September 2, 2022

Tax Identification No. 201-960-347

BIR Accreditation No. 08-001998-102-2018,  
October 18, 2018, valid until October 17, 2021

PTR No. 8125240, January 7, 2020, Makati City

September 25, 2020





**THE ANDRES SORIANO FOUNDATION, INC.**  
**(A Nonstock, Not-for-Profit Organization)**

**STATEMENTS OF FINANCIAL POSITION**

	<b>June 30</b>	
	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 3)	<b>₱17,446,872</b>	₱16,121,616
Receivables (Note 4)	<b>795,646</b>	1,367,544
Prepaid insurance	<b>307,710</b>	194,810
<b>Total Current Assets</b>	<b>18,550,228</b>	17,683,970
<b>Noncurrent Assets</b>		
Property and equipment (Note 5)	<b>208,132</b>	312,804
Investment property (Note 6)	<b>700,000</b>	700,000
Refundable deposits	<b>59,567</b>	53,664
<b>Total Noncurrent Assets</b>	<b>967,699</b>	1,066,468
<b>TOTAL ASSETS</b>	<b>₱19,517,927</b>	₱18,750,438
<b>LIABILITIES AND GENERAL FUND BALANCE</b>		
<b>Current Liabilities</b>		
Accrued expenses and other payables (Note 7)	<b>₱801,101</b>	₱484,164
Deferred revenue (Notes 8, 11 and 12)	<b>9,105,820</b>	7,634,970
Income tax payable	<b>3,630</b>	7,260
<b>Total Current Liabilities</b>	<b>9,910,551</b>	8,126,394
<b>Noncurrent Liability</b>		
Accrued retirement benefits (Note 14)	<b>856,640</b>	909,982
<b>Total Liabilities</b>	<b>10,767,191</b>	9,036,376
<b>General Fund Balance</b>		
Restricted (Note 9)	<b>3,660,230</b>	3,895,453
Unrestricted	<b>5,090,506</b>	5,818,609
<b>Total General Fund Balance</b>	<b>8,750,736</b>	9,714,062
<b>TOTAL LIABILITIES AND GENERAL FUND BALANCE</b>	<b>₱19,517,927</b>	₱18,750,438

*See accompanying Notes to Financial Statements.*



**THE ANDRES SORIANO FOUNDATION, INC.**  
**(A Nonstock, Not-for-Profit Organization)**

**STATEMENTS OF INCOME**

	<b>Years Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>		
Donations (Notes 8, 11 and 16)	<b>₱15,786,472</b>	₱16,185,895
Grants (Notes 8, 12 and 16)	<b>2,451,794</b>	3,594,676
	<b>18,238,266</b>	19,780,571
<b>EXPENSES</b>		
Projects:		
Small island sustainable development program	<b>8,202,002</b>	10,820,544
Cancer program	<b>4,604,921</b>	6,114,136
Corporate disaster and calamity assistance program	<b>3,262,743</b>	—
Program management	<b>1,350,464</b>	1,910,421
	<b>17,420,130</b>	18,845,101
General and administrative (Note 10)	<b>2,215,513</b>	2,103,591
	<b>19,635,643</b>	20,948,692
<b>OTHER INCOME</b>		
Interest income (Note 3)	<b>202,839</b>	187,984
Rental income (Note 13)	<b>181,500</b>	363,000
Retirement benefit income (Note 14)	<b>53,342</b>	—
	<b>437,681</b>	550,984
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE INCOME TAX</b>	<b>(959,696)</b>	(617,137)
<b>PROVISION FOR INCOME TAX (Note 15)</b>	<b>(3,630)</b>	(7,260)
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>(₱963,326)</b>	(₱624,397)

*See accompanying Notes to Financial Statements.*





**THE ANDRES SORIANO FOUNDATION, INC.****(A Nonstock, Not-for-Profit Organization)****STATEMENTS OF CHANGES IN GENERAL FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 2020 and 2019**

	<b>Restricted</b> <b>(Note 9)</b>	<b>Unrestricted</b>	<b>Total</b>
<b>BALANCES AT JUNE 30, 2018</b>	<b>₱4,011,997</b>	<b>₱6,326,462</b>	<b>₱10,338,459</b>
Transfer to restricted fund	11,800,000	(11,800,000)	—
Excess (deficiency) of revenue over expense	(11,916,544)	11,292,147	(624,397)
<b>BALANCES AT JUNE 30, 2019</b>	<b>3,895,453</b>	<b>5,818,609</b>	<b>9,714,062</b>
Transfer to restricted fund	6,000,000	(6,000,000)	—
Excess (deficiency) of revenue over expense	(6,235,223)	5,271,897	(963,326)
<b>BALANCES AT JUNE 30, 2020</b>	<b>₱3,660,230</b>	<b>₱5,090,506</b>	<b>₱8,750,736</b>

*See accompanying Notes to Financial Statements.*

**THE ANDRES SORIANO FOUNDATION, INC.**  
**(A Nonstock, Not-for-Profit Organization)**  
**STATEMENTS OF CASH FLOWS**

	<b>Years Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses before income tax	(P959,696)	(P617,137)
Adjustments for:		
Depreciation (Notes 5 and 10)	130,672	330,759
Interest income (Note 3)	(202,839)	(187,984)
Retirement benefit expense (income) [Note 14]	(53,342)	158,699
Operating loss before working capital changes	(1,085,205)	(315,663)
Decrease (increase) in:		
Receivables	571,898	(962,450)
Other assets	(118,803)	47,113
Increase in:		
Accrued expenses and other payables	316,937	30,355
Deferred revenue	1,470,850	479,365
Net cash provided by (used in) operations	1,155,677	(721,280)
Interest received	202,839	187,984
Income tax paid	(7,260)	(36,714)
Net cash provided by (used in) operating activities	1,351,256	(570,010)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment (Note 5)	(26,000)	(116,731)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,325,256</b>	<b>(686,741)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>16,121,616</b>	<b>16,808,357</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 3)</b>	<b>P17,446,872</b>	<b>P16,121,616</b>

*See accompanying Notes to Financial Statements.*



**THE ANDRES SORIANO FOUNDATION, INC.**  
**(A Nonstock, Not-for-Profit Organization)**

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**NOTES TO FINANCIAL STATEMENTS**

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**1. Foundation's Information and Authorization for Issuance of Financial Statements**

Foundation's Information

The Andres Soriano Foundation, Inc. (the Foundation) was incorporated on June 4, 1968 and registered with the Philippine Securities and Exchange Commission (SEC) on June 11, 1968 as a nonstock, not-for-profit organization. On October 22, 2015, the application for renewal of the corporate life of the Foundation was approved by the SEC for another 50 years which took effect in August 2018.

The Foundation is the Corporate Social Responsibility arm of A. Soriano Corporation (Anscor). It was organized to serve the national welfare, that is, to contribute to sustainable development and social reform by developing and implementing programs aligned with its corporate objective through the facilitation and implementation of holistic and integrated area development programs and activities; the dissemination and implementation of high impact "best practice" technologies for the enhancement of socio-economic conditions of the assisted communities; and, the development and strengthening of partnership mechanism between the corporate sector and local government units, among others. The registered business address of the Foundation is at A. Soriano Aviation Hangar, Andrews Avenue, Pasay City.

Under Section 30(e) of Republic Act No. 8424 entitled "An Act Amending the National Internal Revenue Code (NIRC), As Amended, and For Other Purposes", the excess of revenue over expenses of a non-stock corporation or association organized and operated exclusively for religious, charitable, scientific, athletic, or cultural purposes, or for the rehabilitation of veterans, wherein no part of its net income or asset shall belong to or inure to any member, organizer, officer, or any specific person, shall be exempted from income taxes. Notwithstanding such provision, any income earned by the Foundation from any activities conducted for profit regardless of the disposition made of such income, shall be subject to income taxes.

On October 5, 2012, the Foundation was re-certified by the Board of Trustees of Philippine Council for Non-Governmental Organization (NGO) Certification (PCNC) as a donee institution for another five years. In June 2017, the Foundation was re-evaluated by PCNC for the renewal of its status. As a result of the evaluation, the Foundation was re-certified by PCNC for another five years. The donee institution status will end on June 28, 2022.

The Foundation is registered with the Bureau of Internal Revenue (BIR) as a donee institution in accordance with the provisions of Revenue Regulation No. 13-98 with certificate No. 026 - 2019 valid only from January 20, 2019 until December 20, 2021. Accordingly, donations received by the Foundation shall entitle the donors to full or limited deduction pursuant to Section 34(H) (1) or (2), and exemption from donor's tax pursuant to Section 101(A) (2) of the NIRC of 1997.

Authorization for Issuance of Financial Statements

The financial statements were authorized for issuance by the Board of Trustees (BOT) on September 25, 2020.



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## 2. Summary of Significant Accounting Policies and Financial Reporting Practices

### Basis of Preparation

The financial statements of the Foundation have been prepared using the historical cost basis of accounting. The financial statements are presented in Philippine peso, which is the Foundation's functional and presentation currency. All amounts are rounded to the nearest peso, except as otherwise indicated.

### Statement of Compliance

The financial statements of the Foundation have been prepared in accordance with Philippine Financial Reporting Standard for Small Entities (the Framework), as approved by the Financial Reporting Standards Council, Board of Accountancy and the SEC.

### Fund Accounting

To ensure the observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting in which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Accordingly, all financial transactions have been recorded and reported by fund group, as follows:

- "Unrestricted fund" represents the portion of expendable funds available for support of the Foundation's operations.
- "Restricted fund" represents the amount set aside by the Foundation's management for special projects and other contingencies.
  - a. "Small Island Sustainable Development Program (SISDEP)" represents donations or grants that require the funds be used in environment conservation and management, livelihood assistance, community-based health program and education in the adapted community in Palawan.
  - b. "Cancer Program" represents donations or grants that require the funds be used in research and training of Filipino doctors and nurses in the field of oncology, chemotherapy medicines of indigent breast cancer patients and rehabilitation and maintenance of Cancer Institute at UP-Philippine General Hospital (UP-PGH).
  - c. "Project Management" represents donations or grants that require the funds be used for Project Conceptualization, Development, and Resource Management such as the construction of Multi-Purpose Centers use for conferences and trainings.
  - d. "Provision for Retirement Benefits Cost" represents the reserved funds for the retirement benefits of the core employees of the Foundation.

### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term liquid investments with original maturities of three months or less.

### Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when the entity becomes a party to its contractual provisions. The Foundation classifies its financial instruments into the following categories: (a) basic financial instruments; and (b) complex financial instruments.

The Foundation's basic financial instruments consist of cash and cash equivalents, receivables, and accrued expenses and other payables. The Foundation does not have complex financial instruments.



### Basic financial instruments

#### *Initial measurement*

On initial recognition, a debt financial instrument is measured at transaction price (including transaction costs), unless the arrangement is in effect a financing transaction. In this case, it is measured at present value of the future payment discounted using a market rate of interest for a similar debt instrument.

#### *Subsequent measurement*

The Foundation's debt financial instruments are subsequently measured at amortized cost using the effective interest method.

#### *Impairment of financial instruments measured at amortized cost*

At each reporting date, the Foundation assesses whether there is objective evidence of impairment on any financial assets that are measured at amortized cost. Where there is any objective evidence of impairment, an impairment loss is recognized immediately in profit or loss.

The impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

#### *Derecognition of financial assets*

An entity only derecognizes a financial asset when the contractual rights to the cash flows from the assets have expired or are settled, or the entity has transferred to another party substantially all the risks and rewards of ownership relating to the financial asset.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognized only when these are extinguished i.e., when the obligation is discharged, cancelled, or has expired.

### Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any allowance for impairment losses.

Depreciation commences when the assets are available for use and is computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Transportation equipment	5
Office equipment	3-5
Showroom	5
Office building and staff houses	10
Furniture and fixtures	5

The useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property and equipment.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and any allowance for impairment losses are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Fully depreciated assets are retained in the accounts until they are no longer in use.

### Investment Property

The Foundation classified the parcels of land it held under an operating lease as investment property. This is measured at cost.

### Impairment of Assets

Assets such as property and equipment and investment property are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When an impairment indicator is identified, the carrying value of the asset is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. If the recoverable amount cannot be estimated for an individual asset, the Foundation estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are independent of the cash flows from other assets within the Foundation.

If an impairment indicator no longer exists or the recoverable amount has increased subsequently, the Foundation will determine the amount of impairment loss that can be reversed to the extent that the reversal should not result in a carrying amount of the asset that is higher had no impairment loss was recognized in the prior years.

### Deferred Revenue

Deferred revenue is recognized for cash received not yet earned and is presented as liability.

### Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Foundation and the amount of the revenue can be measured reliably.

The following specific recognition criteria must also be met before revenue is recognized:

#### *Donations and grants*

Donations and grants are recognized when there is reasonable assurance that these will be received and all attached conditions will be complied with. Donations and grants received pertaining to the project commencing after the financial reporting date are recorded as deferred revenue. Donations in-kind are measured at fair value of the consideration received.

#### *Rental income*

Revenue from rentals of the land is accounted for on a straight-line basis over the lease term.

#### *Interest income*

Interest income is recognized as it accrues, taking into account the effective yield on the asset.

### Expenses

Expenses are recognized as incurred and measured at the amount of consideration paid or payable.

### Leases

Leases are classified as operating leases when the lessor retains substantially all the risks and rewards of ownership of the asset. Operating lease receipts are recognized as income in profit or loss on a straight-line basis over the lease term.



#### Retirement Benefits Cost

The Foundation has established a formal retirement plan for its employees. The Foundation's retirement benefit obligation is measured using the accrual approach based on the approved retirement plan. Accrual approach is applied by calculating the expected liability as at reporting date using the current salary of the entitled employees and the employees' years of service, without consideration of future changes in salary rates and service periods.

#### Income Taxes

The Foundation uses taxes payable method to account for income taxes. Under this method, the Foundation recognizes income taxes and liability based on the taxable income for the year using tax rates that have been enacted or substantively enacted at the reporting date.

#### Events after the Financial Reporting Period

Post year-end events that provide additional information about the Foundation's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

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### 3. Cash and Cash Equivalents

	2020	2019
Cash on hand and in banks	<b>₱8,439,518</b>	₱7,294,793
Cash equivalents	<b>9,007,354</b>	8,826,823
	<b>₱17,446,872</b>	<b>₱16,121,616</b>

Cash in banks earn interest at their respective bank deposit rates. Cash equivalents are short-term investments with periods ranging up to three months depending on the immediate cash requirements of the Foundation and earn interest at their respective interest rates.

Interest earned from cash and cash equivalents amounted to ₱202,839 in 2020 and ₱187,984 in 2019. Interest rates range from 0.10% to 1.38% and 0.10% to 1.50% in 2020 and 2019, respectively.

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### 4. Receivables

	2020	2019
Receivables from donors	<b>₱320,000</b>	₱897,600
Rent receivable, net of allowance ₱287,375 in 2020 and 2019	<b>268,875</b>	287,375
Advances to officers and employees	<b>196,771</b>	125,176
Other receivables	<b>10,000</b>	57,393
	<b>₱795,646</b>	<b>₱1,367,544</b>

Receivables from donors pertain to funds committed to be received from donors for various projects.

Advances to officers and employees primarily pertain to funds given by the Foundation to its officers and employees for various projects and administrative expenses which are subject to liquidation. Portion of these advances also relate to noninterest-bearing advances to officers and employees that are collectible within a year through payroll deductions.

Movements in the allowance for doubtful accounts are as follows:

	2020	2019
Balance at beginning of year	<b>₱287,375</b>	₱188,375
Provision during the year (Note 10)	—	99,000
Balance at end of year	<b>₱287,375</b>	₱287,375

## 5. Property and Equipment

2020						
	Transportation Equipment	Office Equipment	Showroom	Office Building and Staff Houses	Furniture and Fixtures	Total
<b>Cost</b>						
Beginning balance	₱880,743	₱651,234	₱533,800	₱1,743,855	₱94,702	₱3,904,334
Additions	—	26,000	—	—	—	26,000
Ending balance	880,743	677,234	533,800	1,743,855	94,702	3,930,334
<b>Accumulated Depreciation</b>						
Beginning balance	707,215	570,999	533,800	1,710,386	69,130	3,591,530
Depreciation (Note 10)	62,278	46,399	—	7,855	14,140	130,672
Ending balance	769,493	617,398	533,800	1,718,241	83,270	3,722,202
<b>Net Book Value</b>	<b>₱111,250</b>	<b>₱59,835</b>	<b>₱—</b>	<b>₱25,614</b>	<b>₱11,433</b>	<b>₱208,132</b>

2019						
	Transportation Equipment	Office Equipment	Showroom	Office Building and Staff Houses	Furniture and Fixtures	Total
<b>Cost</b>						
Beginning balance	₱795,743	₱619,503	₱533,800	₱1,743,855	₱94,702	₱3,787,603
Additions	85,000	31,731	—	—	—	116,731
Ending balance	880,743	651,234	533,800	1,743,855	94,702	3,904,334
<b>Accumulated Depreciation</b>						
Beginning balance	656,204	517,003	484,861	1,547,844	54,859	3,260,771
Depreciation (Note 10)	51,011	53,996	48,939	162,542	14,271	330,759
Ending balance	707,215	570,999	533,800	1,710,386	69,130	3,591,530
<b>Net Book Value</b>	<b>₱173,528</b>	<b>₱80,235</b>	<b>₱—</b>	<b>₱33,469</b>	<b>₱25,572</b>	<b>₱312,804</b>

## 6. Investment Property

Investment property pertains to parcels of land located in Barangay Berong, Quezon, Palawan which is being leased out by the Foundation to C. R. Miller Flight Services (see Note 13).

## 7. Accrued Expenses and Other Payables

	2020	2019
Accrued expenses	<b>₱689,109</b>	₱351,300
Payables to government agencies	<b>111,992</b>	116,172
Others	—	16,692
	<b>₱801,101</b>	₱484,164

Accrued expenses pertain to accrual for project reimbursements, unpaid utilities, professional fees and other third-party services.



## 8. Deferred Revenue

	2020	2019
Beginning balances	₱7,634,970	₱7,155,605
Additions (Notes 11 and 12)	6,362,020	3,881,385
Revenue earned during the year	(4,891,170)	(3,402,020)
	<b>₱9,105,820</b>	<b>₱7,634,970</b>

## 9. Restricted General Fund Balance

Restricted general fund balance, which represents amount for the use of the projects, identified by the management team, approved by the BOT and funded by the donors/grantors are as follows:

	2020	2019
SISDEP and other programs	₱2,803,590	₱2,911,131
Provision for retirement benefits cost	856,640	909,982
Cancer program	—	74,340
	<b>₱3,660,230</b>	<b>₱3,895,453</b>

## 10. General and Administrative Expenses

	2020	2019
Salaries and other benefits (Note 14)	₱1,320,528	₱871,843
Taxes and licenses	362,671	362,994
Depreciation (Note 5)	130,672	330,759
Professional fees	115,255	151,068
Insurance	70,987	68,049
Rent	68,694	64,742
Communication, light and water	52,989	56,393
Entertainment, amusement and recreation	39,000	32,000
Transportation and travel	17,417	14,836
Supplies	8,774	20,506
Repairs and maintenance	7,857	7,837
Others (Note 4)	20,669	122,564
	<b>₱2,215,513</b>	<b>₱2,103,591</b>

Employees' salaries are rationally distributed to various project expenses depending on the type and magnitude and time spent on workload performed.

## 11. Donations

The Foundation, as Corporate Social Responsibility arm of Anscor, received from the latter cash donation of ₱6,000,000 in 2020 and ₱6,253,000 in 2019 (see Note 16). This is to support the various programs of the Foundation and to cover its administrative expenses.



In 2020, the Foundation also received donation from Anscor amounting to ₱1,000,000 to support the relief efforts for the earthquake victims from the Municipality of Makilala, North Cotabato in Mindanao and an additional ₱500,000 to support the relief efforts in Batangas at the height of Taal Volcano eruption.

Phelps Dodge Philippines Energy Product Corporation (PDP) donated cash amounting to ₱1,000,000 in 2020 to support the Foundation's overhead expenses and various programs.

The Foundation received cash donation from Pamalican Resort, Inc. (PRI) amounting to ₱251,073 in 2019 and in-kind donations amounting to ₱191,649 and ₱348,083 in 2020 and 2019, respectively. These represent round-trip airfare of Foundation staffs, resource experts invited to conduct technical trainings and several partners and donors who were invited to see the projects they have funded. Various Amanpulo guests also donated cash amounting to ₱870,220 and ₱103,095 in 2020 and 2019, respectively. The unspent portion of the donation amounting to ₱805,594 as of June 30, 2020 (nil in 2019) is recorded in "Deferred Income" (see Note 8).

The Foundation also received a donation for its various islands' projects from Ms. Camila Soriano amounting to ₱807,718 in 2020. The unspent amount of ₱795,302 as of June 30, 2020 is recorded under "Deferred Income" (see Note 8).

*The Foundation's Coronavirus Disease (COVID-19) Pandemic Response*

In 2020, the Foundation received donations from Anscor and Mr. Andres Soriano III amounting to ₱1,500,000 and ₱500,000 in support of the Foundation's initiatives on providing relief goods to displaced workers due to quarantine lockdowns and medical supplies, materials and PPEs to various village health centers, rural health units, district hospital and other public hospitals both in Manila and in Palawan. As of June 30, 2020, the unspent portion of the fund amounting to ₱228,307 is included in "Deferred Income" (see Note 8). In addition to this donation, the Foundation also received a grant from Hands on Manila amounting to ₱500,000 to support the needs of Cancer Institute, UP-PGH in protecting both the front-line health workers and the patients. Unspent portion of the grant amounting to ₱343,383 is included in "Deferred Income" (see Note 8). Additionally, donations of health kits and face shields equivalent to ₱113,592 were received from Johnson and Johnson (Philippines), Inc.

In 2019, for its projects such as Annual Health Caravan cum Medical Mission, construction of Manamoc Senior High School Tech-Voc Lab and Annual Evaluation of Safe Delivery Application Project, the Foundation received in-kind donations from the following: (a) Island Aviation, Inc. (IAI) for round-trip airfare amounting to ₱380,000; (b) West Villa Properly Holdings for doctors, donor and partners' accommodation amounting to ₱736,575; (c) PRI for the meals and air transport of doctors, partners and donors amounting to ₱487,308 and (d) Department of Health-Region MIMAROPA for medicines amounting to ₱879,285. Also, in 2019, the Foundation received in-kind donations through professional services of doctors and use of medical equipment amounting to ₱676,600. The Foundation received cash donations from Macro Pharma and OEP Philippines amounting to ₱20,000 to defray the cost of T-shirts distributed to doctors and volunteers. The Foundation also received donations amounting to ₱160,060 from Procter and Gamble Philippines in the form of Tide Laundry Soap and Infant's Diapers, and received cash donation amounting to ₱250,000 from Andres Soriano III for medical supplies used during the Annual Health Caravan.

In 2020, in light of the on-going health concerns surrounding COVID-19 and the difficulties posted by the community quarantine as a result of the pandemic, the Annual Health Caravan project which provides medical, surgical, dental and laboratory services to patients from the Foundation's sponsored island barangays in the municipalities of Cuyo and Agutaya, did not push through.



In 2020 and 2019, the Foundation received various in-kind donations as project's counterpart from community stakeholders and project beneficiaries amounting to ₱296,641 and ₱136,501, respectively. There were also donations received in 2019 for infrastructure projects amounting to ₱333,046 in 2019.

The Foundation also received various donations, which are restricted for use in the conduct of its specific projects:

*SISDEP and Other Projects*

In 2020, the Foundation tapped Jollibee Group Foundation and Aniham Technical School (TS) for girls to sponsor 11 senior high school (SHS) graduates from the island to study the course on "Quick Service Restaurant" at Aniham TS in Laguna. The sponsorship enabled the Foundation to receive in-kind donation amounting to ₱1,634,160 inclusive of the students' 12-month tuition and laboratory fees, board and lodging and transportation allowances. In 2019, the Foundation already received a cash donation amounting to ₱15,359 from Aniham Technical School as its counterpart for the travel and transportation costs of mentioned 11 SHS graduates.

The Foundation received a donation from St. Joseph Foundation, Inc. (sister company of Almavida Holdings, Inc.) amounting to ₱300,000 both in 2019 and 2018. The unspent portion related to these donation as of June 30, 2020 and 2019 amounting to ₱89,661 and ₱385,553, respectively, are recorded in "Deferred revenue" account (see Note 8).

In 2018, the Foundation established a new partnership and benefactor with Mr. & Mrs. Philip and Lulette Monbiot, a Pamalican Villa Owner who committed to support one academic scholar from the island starting school year 2018-2019. The foundation initially received ₱98,559 to cover one semester and an additional ₱111,022 for the second semester of school year 2018-2019. Of these amounts, the unspent portion as of June 30, 2020 and 2019 amounting to ₱22,045 and ₱39,076, respectively, are recorded in "Deferred revenue" account (see Note 8). The Foundation also received ₱141,656 to cover the tuition for the next school year. The whole amount remained unspent as of June 30, 2020 and is recorded in "Deferred revenue" account (see Note 8).

In 2019 the Foundation received a donation amounting to ₱300,000 from Aboitiz Foundation for its continuing support for the Scholarship Program for senior high school (SHS) graduates and out-of-school youth from the small islands. The unspent portions of the donation as of June 30, 2020 and 2019 amounting to ₱179,716 and ₱352,197, respectively, are recorded in "Deferred revenue" account (see Note 8).

In prior years, the Foundation received donations in cash and in-kind from various donors (i.e., Anscor, Les Folatieres Holdings, Inc., and other companies and individuals) totaling to ₱10,805,136 for the victims of typhoon Yolanda. Majority of the proceeds were used to rebuild the houses of the victims. As of June 30, 2020 and 2019, unspent fund amounting to ₱547,891 and ₱701,116 respectively, are included as part of "Deferred revenue" account (see Note 8).

In 2018, the Foundation received a donation from Amanpulo guests (Mr. Allan Camaisa and Paul Ettlinger) amounting to ₱331,880, which is particularly allocated for medical equipment to be donated to Manamoc Barangay Health Station. As of June 30, 2020 and 2019, the unspent portions of the donation amounting to ₱71,275 and ₱152,690, respectively, are included as part of "Deferred revenue" account (see Note 8).



### *Cancer Program*

The Foundation received cash donations from Rufo Colayco amounting to ₱650,000 in 2020 and ₱450,000 in 2019. These are specifically designated for the ASF Chemo Fund in partnership with Cancer Institute, UP-PGH. All of the donations were spent in 2020 and 2019 respectively. In addition, the Foundation received cash donation in 2019 amounting to ₱304,010 from Legacy Food Concept, Inc. which owns various chain of restaurants (such as Café Adriatico, Café Havana and ABE, etc.). The unspent fund amounting to ₱304,010 as of June 30, 2019 were all used in 2020.

In the latter part of 2018, the Foundation received an in-kind donation amounting to ₱2,555,000 from Johnson and Johnson (Philippines), Inc. representing a 1-unit Hyundai H350 Van customized into a Mobile Treatment/Infusion Facility for specific use of hematologic and oncologic cancer patients admitted at the Cancer Institute, UP-PGH. A Conditional Deed of Donation was signed between the Foundation and Johnson and Johnson (Philippines), Inc. and Deed of Donation was signed by the Foundation and the Cancer Institute, UP-PGH as the end recipient of the Mobile Treatment Facility. The unit was turned over to the Cancer Institute administration in early 2019.

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## **12. Grants**

### *SISDEP*

In 2018, the Foundation embarked a full-scale construction project of Manamoc National High School-Senior High School Technical-Vocational (Tech-Voc) Laboratories in partnership with various donors and partners. For the maintenance of laboratory buildings after the construction, the Foundation received donation in 2018 amounting to ₱1,006,154 from AmanResorts Services Limited; ₱1,000,000 from Anscor; ₱252,300 from Mr. Damian Chunilal (Pamalican Villa Owner) and ₱50,000 from Mr. and Mrs. Philip Monbiot (Pamalican Villa Owner). The unspent portion of these donations as of June 30, 2020 and June 30, 2019 amounting to ₱1,428,675 and ₱1,682,489, respectively, is included as part of "Deferred revenue" account (see Note 8). This will be used for the continuing overhead and maintenance requirement of the laboratory buildings, continuing education of Tech-Voc teachers and as needed, review workshop on Tech-Voc curriculum.

The Foundation received grant from Share Foundation amounting to ₱1,552,298 in 2020 and ₱1,768,093 in 2019. These grants were used and will be used to fund various healthcare, education and environment-related projects such as organic vegetable gardens and Tuberculosis - Directly Observed Treatment Short Course project, installation of solar panels and Nutrition Program such as but not limited to supplemental feeding project and support to annual medical mission, and research on biogas technology, solid waste management for the Foundation's beneficiaries in Manamoc and Agutaya islands in Palawan. As of June 30, 2020 and June 30, 2019, the remaining unspent balance amounting to ₱4,050,199 and ₱3,024,796, respectively, is included as part of "Deferred revenue" account (see Note 8).

A long-time donor, SEACOLOGY - an environment advocate based in the U.S., released a grant amounting to ₱908,933 to Foundation's project on coastal resource management. The project involved the construction of a Multi-Purpose Center (MPC) in Barangay San Carlos in exchange for the protection of a 116-hectare no-take zone of the Imalaguan Fish Sanctuary for 25 years. The MPC will be used by the fisher folk association for the various training and assembly activities including the holding of classes on Alternative Learning System of their out-of-school youth. In April 2018, the Foundation on the basis of a grant agreement with SEACOLOGY secured approval of a grant for the construction of a Multi-Purpose Center for use by the Manamoc Community amounting to ₱971,158. The first tranche amounting to ₱675,219 was received and was fully spent as of June 30, 2018. The second and final tranche amounting to ₱295,939 was released in the latter part of 2018 with a supplemental grant amounting to ₱258,660 for the installation of rain catchment and potable water



tanks. The unspent portion of the grant amounting to ₱28,312 as of June 30, 2019 were fully utilized in 2020.

#### *Cancer Program*

In 2020, the Foundation received a grant from Pfizer, Inc. in partnership with the Cancer Institute to fund a Tuberculosis/Lung Study amounting to ₱421,785. The study was completed in June 2020.

In 2020, the Foundation received grants from pharmaceutical companies for Medical Oncology Fellowship Program in partnership with Cancer Institute and Section of Medical Oncology at UP-PGH: a) United Laboratories, Inc. amounting to ₱383,000; b) Good Fellow Pharma amounting to ₱335,000; c) Accord Pharma amounting to ₱183,000; d) Astracene Pharma amounting to ₱183,000; e) Macro Pharma amounting to ₱166,000; f) Pascual Laboratory amounting to ₱165,000 and; Fresenius Kabi Philippines, Inc. amounting to ₱10,000.

In 2019, the Foundation received grants from the following pharmaceutical companies for the oncology fellowship program in partnership with the Section of Medical Oncology at UP-PGH: a) AstraZeneca Pharmaceuticals amounting to ₱507,448; b) Good Fellow Pharma amounting to ₱347,000; c) UNILAB, Inc. amounting to ₱200,000; d) Fresenius Kabi Phils, Inc. amounting to ₱195,000; e) Pascual Pharma Corp amounting to ₱183,000 and MacroPharma Philippines amounting to ₱168,000.

In 2019, the Foundation signed an Educational Grant Agreement with Johnson and Johnson (Philippines), Inc. amounting to ₱300,000 representing the latter's support to the Foundation's campaign and advocacy on cancer prevention through scientific cancer lectures. The first tranche amounting to ₱150,000 was received in 2019 while the second tranche was received in 2020. As of June 30, 2020, the unspent portion pertaining to such grant amounting to ₱148,081 is included in "Deferred Revenue" (see Note 8).

In the prior years, PCS awarded the Foundation grants to fund the annual Andres Soriano Jr. Memorial Lecture, maintenance of the Oncology Library and the Chemotherapy program for screened indigent cancer patients. In relation to the grant, the Foundation has an unspent fund as of June 30, 2019 amounting to ₱280,185 and a grant receivable of ₱456,000. The grant receivable was received in 2020 and was utilized in support of the Foundations' cancer initiatives such as "Alay sa Chemo" and Cancer Lecture. There is no unspent fund as of June 30, 2020 in relation to the grant.

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### **13. Rental Income**

The Foundation, through the donated shares of WestPal, is the ultimate beneficial owner of the rights and interest of certain parcels of land located in Barangay Berong, Quezon, Palawan which were acquired by the Philippine Government (the Government) under its Comprehensive Agrarian Reform Program. The compensation payment of the subject parcels of land was successfully negotiated by the Foundation with the Government.

In October 2012, the Foundation entered into a five-year lease agreement with C.R. Miller Flight Services. This lease contract was renewed for a period of one year in 2020 and 2019.

Rental income amounted to ₱181,500 in 2020 and ₱363,00 in 2019.

#### 14. Retirement Benefits Cost

The Foundation recognized the amount of retirement benefits for its qualified employees following the requirements of the benefit Retirement Plan, using accrual approach.

The Foundation's retirement plan is non-contributory and of the defined benefit type which provides a retirement benefit equal to one-month salary for every year of service multiplied by retirement rate plus conversion into cash of allowable accumulated vacation and sick leave credits.

The movement in the account during the years ended June 30 are as follows:

	2020	2019
At beginning of year	<b>₱909,982</b>	₱751,283
Retirement benefit expense (income) (Note 10)	<b>(53,342)</b>	158,699
At end of year	<b>₱856,640</b>	₱909,982

Net retirement liability as of June 30, 2020 and 2019, respectively, is as follows:

	2020	2019
Retirement liability	<b>₱3,845,552</b>	₱3,629,349
Retirement plan assets	<b>2,988,912</b>	2,719,367
Net retirement benefits liability	<b>₱856,640</b>	₱909,982

#### 15. Income Tax

- The Foundation's provision for (benefit from) income tax pertains to the tax effect of the rental income.
- The reconciliation of the provision for income tax computed at statutory tax rate of 30% to the provision for income tax shown in the profit or loss for the years ended June 30 is shown as follows:

	2020	2019
Provision for (benefit from) income tax computed at statutory income tax rate	<b>(₱287,909)</b>	(₱185,142)
Adjustments for:		
Net loss exempted from income taxes	<b>297,928</b>	245,154
Interest income subjected to final income tax	<b>(60,852)</b>	(56,395)
Movement of temporary difference for which deferred income taxes were provided with valuation allowance	<b>54,463</b>	3,643
Provision for income tax	<b>₱3,630</b>	₱7,260

- Excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) in 2020 amounting to ₱54,463 can be applied as deduction against RCIT due until 2023 while the excess of MCIT over RCIT in 2019 amounting to ₱3,643 can be applied as deduction against RCIT due until 2022.



## 16. Related Party Transactions

A related party is a person or entity that is related to the Foundation. A person or a close member of that person's family is related to the Foundation if that person is a member of the key management personnel of Foundation or of the parent, has control or joint control or significant influence or voting power over the Foundation.

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions.

The Foundation's transactions and account balances with Anscor, SSRLI, PRI, West Villa Property Holdings, IAI and PDP, entities under the common control of some BOT members, are as follows:

Nature of transaction	Amount of Transaction	
	2020	2019
Donations (Note 11)		
Anscor	<b>₱9,500,000</b>	₱6,253,000
PDP	<b>1,000,000</b>	—
PRI	<b>191,649</b>	1,086,464
IAI	<b>3,780</b>	380,000
West Villa Property Holdings	□	736,575
SSRLI	□	12,450
	<b>₱10,695,429</b>	<b>₱8,468,489</b>

The Foundation received donations in cash and in-kind from Anscor, PRI, IAI and PDP to assist the former's various programs. As of June 30, 2020 and 2019, no portions of these donations remain unspent.

## 17. Supplementary Information Required Under Revenue Regulations No. 15-2010

In compliance with Revenue Regulations No. 15-2010 issued by the BIR on November 25, 2010 mandating all taxpayers to include information on taxes, duties and license fees paid or accrued during the taxable year, presented below are the taxes paid and accrued by the Foundation.

### a. Value-added Tax

The Foundation, as a not-for-profit institution, is exempt from value-added tax.

### b. Details of taxes and licenses in 2020 are as follows:

Real property taxes	₱350,940
Business permit	500
Others	11,231
	<b>₱362,671</b>

### c. Details of withholding taxes in 2020 are as follows:

Withholding taxes on compensation and benefits	₱505,800
Expanded withholding taxes	49,558

The Foundation has outstanding withholding taxes payable on compensation and benefits and expanded withholding taxes amounting to ₱40,755 and ₱7,656, respectively, as of June 30, 2020.

- d. As of June 30, 2020, the Foundation has no tax deficiency assessment or tax case under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.